

Message Text

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SUBJECT: REYNOLDS PAYMENTS BACK ON PAGE ONE

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1. AFTER BEING DORMANT FOR ABOUT A YEAR, THE MATTER OF
QUESTIONABLE FOREIGN PAYMENTS BY REYNOLDS METALS COMPANY IS
BACK ON THE FRONT PAGES OF THE LOCAL SURINAM PRESS. JUNE 17
EDITIONS OF TWO OF THE THREE DUTCH-LANGUAGE DAILIES CARRIED
LEAD STORIES CIRCULATED BY A LOCAL NEWS AGENCY (INFORMA)
WHICH HIGHLIGHTED ARTICLE FROM "AMERICAN METAL
MARKET" CONCERNING REYNOLDS' REPORT ON THE PAYMENTS WHICH HAD
BEEN PREPARED FOR THE SECURITIES AND EXCHANGE COMMISSION.
EXCERPTS FROM ARTICLE FOLLOW.

2. QUOTE: FOREIGN SUBSIDIARIES OF THE BIG AMERICAN BAUXITE ENTER-
PRISE,
REYNOLDS METAL COMPANY, HAVE PAID A TOTAL OF \$885,000 IN
QUESTIONABLE PAYMENTS TO VARIOUS CLIENTS AND INTERMEDIARIES.
THE REPORT WHICH WAS PRESENTED BY THE REYNOLDS METALS COMPANY
TO THE SECURITIES AND EXCHANGE COMMISSION OF THE AMERICAN SENATE
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(SIC) COVERS THE PERIOD JANUARY 1, 1955 THROUGH THE FIRST QUARTER
OF 1978. IN THE CONCERN'S REPORT, WHICH WAS DISCUSSED BY
THE AMERICAN JOURNALIST STEVE LONG IN THE AMERICAN PERIODICAL,
"AMERICAN METAL MARKET" OF LAST MARCH, IT IS SAID THAT
QUESTIONABLE PAYMENTS FOR POLITICAL PURPOSES IN THE AMOUNT
OF \$337,000 WERE MADE BY REYNOLDS ABROAD IN THE PERIOD 1970
TO 1974. IT WAS REVEALED THAT WITH ONE OF THE QUESTIONABLE

PAYMENTS A FOREIGN GOVERNMENT WAS DIRECTLY INVOLVED. IN THE REPORT THAT AT THE MOMENT IS BEING STUDIED CAREFULLY BY THE AMERICAN SENATE COMMITTEE, NEITHER THE NAMES OF SUBSIDIARIES NOR THE COUNTRIES CONCERNED ARE NAMED. IT APPEARS THAT SUBSIDIARIES OF REYNOLDS MADE TWO QUESTIONABLE PAYMENTS IN WHICH A GOVERNMENT OFFICIAL OF THE TAX OFFICE AND LABOR UNION LEADERS WERE INVOLVED. THE TOTAL AMOUNT THAT WAS PAID OUT IN ORDER TO INFLUENCE THOSE INVOLVED IN FAVOR OF REYNOLDS WAS \$38,000. IT ALSO CAME OUT THAT INFLUENTIAL PEOPLE WERE PERSUADED TO ACT AS INTERMEDIARIES FOR THESE SUBSIDIARIES OF REYNOLDS METALS COMPANY.

3. "AS IS KNOWN HERE IN SURINAM UNDER THE FORMER CABINET, THE THEN ACTING FRACTION LEADER, F. DERBY, DIRECTED THE ATTENTION OF THE MINISTER OF JUSTICE AND POLICE TO POSSIBLE QUESTIONABLE PAYMENTS WHICH BAUXITE COMPANIES WERE SUPPOSED TO HAVE MADE. IT WAS PROMISED THAT A THOROUGH INVESTIGATION WOULD BE INSTITUTED.

4. "ATTORNEY GENERAL M. DE MIRANDA TOLD INFORMA THAT HE HAD MADE CONTACT WITH CONCERNED AUTHORITIES IN THE UNITED STATES OF AMERICA TWO YEARS AGO. IT APPEARED THAT SURINAM HAD NOT BEEN INVOLVED IN THE SERIES OF QUESTIONABLE PAYMENTS WHICH HAD TAKEN PLACE, SIAD THE ATTORNEY GENERAL WHO ADDED TO THIS THAT HE WAS NOT INFORMED ABOUT THE RECENT PUBLICATIONS.
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5. "AS IS KNOWN, ORIGINALLY A SUBSIDIARY OF REYNOLDS METALS COMPANY WAS TASKED WITH THE EXPLORATION AND POSSIBLE EXPLOITATION OF THE BAUXITE RESERVES IN WEST SURINAM. AFTERWARDS IT APPEARED THAT THIS HAD NOT MADE ANY PROGRESS. REYNOLDS SURINAME, WHICH HAD APPOINTED AS AGENT, EWALD KARAMAT ALI WHO AT THIS SAME TIME WAS A LEGAL ADVISOR OF THE GOVERNMENT, RECEIVED IN EXCHANGE FOR THE CONTRACT, AN AMOUNT OF SF. 6.3 MILLION (\$3.6 MILLION) THAT WAS PAID OUT OF GOVERNMENT FINANCES ORIGINATING FROM THE BAUXITE LEVY DEVELOPMENT FUND.
UNQUOTE.

6. JUNE 19 EDITION OF ONE OF THE LOCAL DAILIES, "DE WARE TIJD," CARRIED FOLLOW-UP STORY BASED ON INTERVIEW WITH SURINAM LABOR LEADER AND OPPOSITION MEMBER OF PARLIAMENT, HENK HERRENBURG, WHO WAS THE CHIRMAN OF THE REYNOLDS UNION DURING THE OPERATIONS OF THE COMPANY IN SURINAM HERRENBURG IS QUOTED AS DENYING HAVING BEEN INVOLVED IN ANY ALLEGED QUESTIONABLE PAYMENTS AND AS HAVING PROMISED TO DO EVERYTHING POSSIBLE TO OBTAIN FROM REYNOLDS, OR THE SECURITIES AND EXCHANGE COMMISSION OR THE STATE DEPARTMENT, A DECLARATION THAT NEITHER THE BOARD NOR THE CHAIRMAN OF THE THEN REYNOLDS

UNION WERE INVOLVED IN ANY WAY WITH THE QUESTIONABLE
PAYMENTS BY REYNOLDS ABROAD. (FYI HERRENBURG IS NOW
CHAIRMAN OF THE UNION AT GRASSALCO, THE GOS -OWNED MINING
CONCERN WHICH HAS TAKEN OVER THE CONCESSIONS PREVIOUSLY
BELONGING TO REYNOLDS IN WEST SURINAM.)
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